

ROUTING AND TRANSMITTAL SLIP		Date
TO: (Name, office symbol, room number, building, Agency/Post)		8 DEC 1983
1. <i>AD/Personnel</i>	<i>LC</i>	<i>AS</i>
2. <i>n/p</i>		
3.		
4. <i>20/SP</i>		<i>MM</i>
5. <i>See - (OGC should be made)</i>		
Action	File	Note and Return
Approval	For Clearance	Per Conversation
As Requested	For Correction	Prepare Reply
Circulate	For Your Information	See Me
Comment	Investigate	Signature
Coordination	Justify	

REMARKS

1 - For your action. Pls note that copies were addressed to the DDA, DDCI, and DCI.

*Le - George Assume per
are on top of this already?*

DO NOT use this as a RECORD of approvals, concurrences, disposals, clearances, and similar actions

FROM: (Name, org. symbol, Agency/Post)

Room No.—Bldg.

Phone No.

EO/DDA

5041-102

OPTIONAL FORM 41 (Rev. 7-76)
Prescribed by GSA
FPMR (41 CFR) 101-11.206

EXECUTIVE SECRETARIAT
ROUTING SLIP

TO:		ACTION	INFO	DATE	INITIAL
1	DCI				
2	DDCI				
3	EXDIR				
4	D/ICS				
5	DDI				
6	DDA	✓			
7	DDO				
8	DDS&T				
9	Chm/NIC				
10	GC				
11	IG				
12	Compt				
13	D/EEO				
14	D/Pers				
15	D/OLL				
16	C/PAO				
17	SA/IA				
18	AO/DCI				
19	C/IPD/OIS				
20					
21					
22					
		SUSPENSE _____ <div style="text-align: right;">Date</div>			

Remarks

*(Note: OPM memo addressed
to DCI & DDCI)*

Executive Secretary

12/7/83

Date

3637 (10-81)

STAT



United States
**Office of
Personnel Management**

DEC 1 1983

Washington, D.C. 20415

In Reply Refer To

D/Pers

3-5630

Executive Registry

83-5863

DL/A Registry

83-5094

Your Reference

MEMORANDUM FOR SENIOR EXECUTIVE BRANCH* OFFICIALS

SUBJECT: One-Time Election Concerning Your
Retirement Coverage

Under a new law that has just been signed by the President, certain senior officials in the Government have an important new one-time right to elect certain options with respect to coverage under the Civil Service Retirement System. This one-time right must be exercised before January 1, 1984, and cannot be changed. If an affected official does not make an election, his or her Civil Service Retirement coverage will automatically be converted to a special transitional system designed for new Government employees.

WHO IS AFFECTED: This new right applies to those top officials who have been covered until now by Civil Service Retirement and who will, effective January 1, 1984, also be covered by Social Security. Only the following are affected: individuals in positions listed in the Executive Schedule (5 U.S.C. 5312-17); noncareer members of the Senior Executive Service; and individuals paid \$63,800 or more in certain positions in the Executive Office of the President. If you are not certain if you are in the affected group, contact your personnel office.

WHAT HAPPENS: Until now, the affected individuals have been covered under the Civil Service Retirement System in the same way career Government employees have been, and deductions from pay (generally 7%) have been made to pay for this coverage. These deductions have been refundable only upon separation, with nominal or no interest.

Now, however, under the Social Security Amendments of 1983, the affected individuals will be subject to Social Security beginning in January 1984, and will be taxed 5.4% of the first \$37,800 in salary to pay for their Social Security coverage. In view of this new coverage, the affected individuals are being given the right to drop or continue their existing Civil Service Retirement coverage. The options are as follows:

- (A) Terminate Civil Service Retirement Coverage: If you elect this option, no deductions will be taken from your pay for Civil Service Retirement, and you will be entitled to apply for and, if otherwise eligible, receive a refund of all of your past deductions for Civil Service Retirement. Of course, by electing this option you will generally forfeit any benefits you might otherwise receive under Civil Service Retirement.



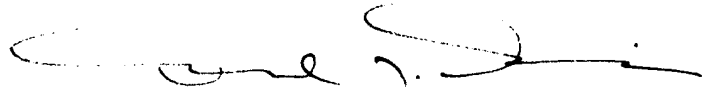
-2-

- (B) Continue Full Civil Service Retirement Coverage: If you elect this option, full deductions will continue to be taken from your pay for Civil Service Retirement, and you will remain eligible for full benefits under Civil Service Retirement.

If you do not elect either option (A) or (B), you will automatically be placed under a special program under the Civil Service Retirement System. Under this special program, your deductions for Civil Service Retirement coverage will be lowered to 1.3% of pay for a period up till the earlier of January 1, 1986, or the date a new retirement plan for Federal employees subject to Social Security is established. If you become disabled during this interim period and are eligible for a Civil Service Retirement disability annuity, you will receive that annuity, but its amount will be reduced by that portion of any Social Security benefit you receive that is attributable to your Federal service during the interim period. If you die while employed and have a survivor who is eligible for a Civil Service Retirement survivor's annuity, your survivor will receive that annuity, but it will be similarly reduced by a portion of any Social Security benefit. Other than in cases of disability or death in service during the interim period, if you ever wish to receive an annuity from the Civil Service Retirement System that includes service credit for the interim period during which you contributed only 1.3% of pay, you will be required to pay to the Retirement System the difference between the 1.3% you contributed and the full normal contribution rate.

WHAT TO DO: Your personnel office has been supplied with the form which you must complete in order to elect either option (A) or (B). (We urge that you complete the form even if you do not want either option (A) or (B), and are instead going to be covered under the special transitional system.) The completed form must be returned to your personnel office before January 1, 1984. If you elect option (A) and want a refund of your Civil Service Retirement deductions, your personnel office will explain to you how to apply for such a refund.

QUESTIONS: Questions on this subject can best be handled by your personnel office, and we urge you to address any questions there. However, if for some reason you need to contact OPM on this subject, please call our Office of Pay and Benefits Policy, (202) 254-9574.



Donald J. Devine
Director

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UNITED STATES
OFFICE OF
PERSONNEL MANAGEMENT
WASHINGTON, D.C. 20415

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OPM-245



The Honorable William J. Casey
Director
Central Intelligence Agency
Washington, DC 20505

CON 114-14-6
January 1979

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